



Overview of North American GHG Markets

Opportunities for CMM

8th Session of the UNECE Ad Hoc Group of Experts on Coal Mine Methane

Geneva, Switzerland

Presented by - Michael Coté, President
November 20, 2013



CURRENT GHG MARKETS – NORTH AMERICA

- **Seven Different GHG Programs to Consider**
 - **United States (4)**
 - **ACR, VCS, CAR, CARB**
 - **Canada (3)**
 - **BC, Alberta, Quebec**
- **CMM Projects Eligibility Can be Limited by:**
 - **Mine Type**
 - **Project Type**
 - **Location**
- **Wide Variety of Carbon Prices**
 - **\$1 - \$15/ tonne carbon dioxide equivalents (CO₂e)**

CURRENT GHG MARKETS – UNITED STATES

- Voluntary Programs

- American Carbon Registry (ACR)

- Will accept projects located in the U.S. *as well as internationally*
- ACR has its own methodologies for certain project types and accepts CDM methodologies
- Current offset price: est. \$1 / tonne CO₂e

- Verified Carbon Standard (VCS)

- International program with projects throughout the world
- VCS has its own methodologies for certain project types and accepts CDM and CAR methodologies
- *VMR0001 – Pre-drainage from Open Cast Mines*
- *VMR0002 – Methane Capture from Abandoned Coal Mines*
- Current offset price: \$1 / tonne CO₂e



CURRENT GHG MARKETS – UNITED STATES

- Voluntary Programs

- Climate Action Reserve (CAR)

- U.S. and certain international projects allowed
 - CAR has 3 methodologies specific to Mexico
 - Livestock Methane Capture, Landfill Methane Capture, & Forestry
 - Ozone Depleting Substances (ODS) – International from Article 5 countries
 - Coal Mine Methane Protocol –Version 1.1
 - U.S. underground coal mines only
 - Current offset price: \$1 - \$3 / tonne CO₂e

CURRENT GHG MARKETS – UNITED STATES

- Compliance (Mandatory) Programs
 - California Air Resources Board (ARB) Program
 - Currently only accepting offset projects located in the U.S.
 - Livestock, ODS, Forestry
 - Only current offset protocol being considered is the **Mine Methane Capture (MMC) Protocol** which includes:
 - Underground Coal Mines (CAR Protocol)
 - Surface or Open Cast Coal Mines (revised VCS Protocol)
 - Abandoned Underground Coal Mines (revised VCS Protocol)
 - CMM projects registered in CAR or VCS by end of 2013 may be considered for “early action” in ARB program
 - May accept offset projects in Mexico and Canada
 - May accept international offset projects if ARB program is “linked” to foreign country’s GHG C&T program
 - Current offset price: \$9/tonne CO₂e (early action: \$7/t CO₂e)



CURRENT GHG MARKETS – UNITED STATES

- **Compliance (Mandatory) Programs**
 - **California Air Resources Board (ARB) Program**
 - **Board Voting to Adopt Mine Methane Capture Protocol in March 2014**
 - **One final 15-day public comment period immediate following vote**
 - **Issues identified by environment groups in California**
 - **Financial additionality of projects**
 - **Leakage from increased coal production**
 - **Impacts on eventual regulation of CMM emissions in U.S.**
 - **Best Available Control Technology (BACT)**

CURRENT GHG MARKETS - CANADA

- **Compliance (Mandatory) Programs**
 - **Alberta**
 - **Program based on a cap of carbon intensities for different industries**
 - **Uses new offset methodologies approved by Alberta government for certain project types (33 project types approved)**
 - **Only allows GHG offset projects located within Alberta**
 - **Currently 1 underground and 8 surface coal mines in BC**
 - **Current offset price: \$15 / tonne CO₂e**
 - **Quebec**
 - **Currently only ODS and Livestock projects are allowed**
 - **Projects must be located in Quebec**
 - **Program linked to California program**
 - **Currently no offset projects registered**



CURRENT GHG MARKETS - CANADA

- **Compliance (Mandatory) Programs**
 - **British Columbia – Pacific Carbon Trust (PCT)**
 - Program began in 2010 as a Crown Agency
 - BC Government is currently only buyer of offsets (~800,000 MT)
 - Uses new methodologies for certain project types and accepts CDM, VCS, and CAR methodologies
 - Only allows GHG offset projects located within BC
 - Currently 1 underground and 9 surface coal mines in BC
 - Program hoped to expand BC voluntary GHG market and maybe eventual cap and trade (2016)
 - Current offset price: ~\$12-15 / tonne CO₂e

CURRENT GHG MARKETS - CANADA

- Compliance (Mandatory) Programs
 - British Columbia – Pacific Carbon Trust (PCT)
 - ***YESTERDAY'S HEADLINES!***

ENVIRONMENT AND SUSTAINABILITY

Pacific Carbon Trust to be shut down



By Nelson Bennett
Tue Nov 19, 2013 10:50am PST

The British Columbia government's controversial carbon offsetter, the Pacific Carbon Trust (PCT), is being shut down as part of the government's core review.

According to a press release, the PCT will be shuttered and any of its ongoing commitments handled by the Ministry of Environment.

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